

STATE OF NORTH DAKOTA

SECURITIES DEPARTMENT

In the Matter of Anton Kunz;)	CEASE AND DESIST ORDER,
The ABC System; and their Officers,)	NOTICE OF CIVIL PENALTY, AND
Directors, Agents, and Employees,)	NOTICE OF RIGHT TO
Respondents.)	REQUEST A HEARING

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THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA TO ANTON KUNZ; THE ABC SYSTEM; AND THEIR OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES:

The North Dakota Securities Commissioner has a reasonable basis to believe that the Respondents have engaged in, are engaging in, or are about to engage in, acts, practices or transactions, as more fully described below, which are prohibited under Chapter 10-04 of the North Dakota Century Code (N.D.C.C.). It is necessary and appropriate in the public interest and for the protection of investors to restrain these acts, practices, or transactions of the Respondents.

1. The Respondents have offered for sale and/or sold securities, as defined in N.D.C.C. § 10-04-02(19), or have attempted to offer and/or sell securities in North Dakota.
2. The subject securities have not been registered with the Securities Department under N.D.C.C. §§ 10-04-07, 10-04-07.1, 10-04-08, or 10-04-08.1; are not exempt securities under N.D.C.C. § 10-04-05; and have not been offered for sale or sold in exempt transactions under N.D.C.C. § 10-04-06; and are not federal covered securities or have not properly filed as federal covered securities under N.D.C.C. §

10-04-08.4. All offers and/or sales of the subject investment were made in apparent violation of N.D.C.C. § 10-04-04.

3. None of the Respondents were registered as a broker-dealer with the Securities Department, in apparent violation of N.D.C.C. § 10-04-10(1).
4. None of the Respondents were registered as agents with the Securities Department, in apparent violation of N.D.C.C. § 10-04-10(2).
5. The Respondents have offered or attempted to offer investment advisory services in North Dakota. None of the Respondents were registered as an investment adviser with the Securities Department, in apparent violation of N.D.C.C. § 10-04-10(3). None of the Respondents are federal covered advisers, nor have they filed as federal covered advisers under N.D.C.C. § 10-04-10(4).
6. None of the Respondents are registered investment adviser representatives, in apparent violation of N.D.C.C. § 10-04-10(5).

NOW, THEREFORE, IT IS ORDERED, pursuant to N.D.C.C. § 10-04-16, that the Respondents shall immediately **CEASE AND DESIST**:

1. From offering for sale or selling in North Dakota the subject securities, or any other securities however denominated, unless and until such securities have been registered with the Securities Department.
2. From offering for sale or selling securities, or effecting transactions in securities, in North Dakota unless and until they have registered with the Securities Department as broker-dealers or agents.

3. From offering investment advisory services in North Dakota, unless or until the Respondents are registered with the Securities Department as investment advisers and/or Investment adviser representatives, or have properly filed as federal covered advisers.

This order does not prohibit the offer or sale of securities through exempt securities transactions under N.D.C.C. § 10-04-06, nor does it prohibit registered broker-dealers and agents from offering or selling exempt securities under N.D.C.C. § 10-04-05 or federal covered securities offered pursuant to a notice filing made to the Securities Department pursuant to N.D.C.C. § 10-04-08.4.

YOU ARE NOTIFIED that any willful violation of this order is a Class B Felony pursuant to N.D.C.C. § 10-04-18(1). Pursuant to N.D.C.C. § 12.1-32-01(3), a Class B Felony is punishable by a \$10,000 fine and 10 years' imprisonment, with respect to a natural person. Pursuant to N.D.C.C. § 12.1-32-01.1(2), a Class B Felony is punishable by a \$35,000 fine with respect to an organization.

YOU ARE FURTHER NOTIFIED that, pursuant to N.D.C.C. § 12.1-09-03, a person is guilty of a criminal offense if that person intentionally "alters, destroys, mutilates, conceals, or removes a record, document, or thing with intent to impair its verity or availability" in an official proceeding. As such, intentional destruction of any documents related to this matter may result in criminal prosecution.

NOTICE OF CIVIL PENALTIES

YOU ARE NOTIFIED that the above-cited violations are sufficient grounds for the imposition of civil penalties pursuant to N.D.C.C. § 10-04-16(1). The Securities Commissioner does not herein assess a civil penalty, but the Commissioner expressly reserves the authority to assess civil penalties, not to exceed \$10,000 per violation, regarding the violations outlined above, any other violations subsequently discovered, or any future securities violations or violations of this order.

NOTICE OF RIGHT TO REQUEST HEARING

YOU ARE NOTIFIED that pursuant to N.D.C.C. § 10-04-12 you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN FIFTEEN (15) DAYS AFTER THE RECEIPT OF THIS ORDER. The respondents have the right to be represented by legal counsel at the hearing.

May IN TESTIMONY WHEREOF, witness my hand and seal this 24th day of May, 2006.



Karen J. Tyler

Karen J. Tyler, Securities Commissioner
North Dakota Securities Department
600 East Boulevard Ave.
State Capitol – Fifth Floor
Bismarck, ND 58505-0510
(701) 328-2910

STATE OF NORTH DAKOTA
SECURITIES COMMISSIONER

In the Matter of Anton Kunz;)	
The ABC System; and their Officers,)	AFFIDAVIT OF SERVICE
Directors, Agents, and Employees,)	BY MAIL
Respondents.)	

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I, Jacqui Ferderer, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

On this 25th day of May, 2006, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, a true and correct copy of each of the following documents:

**CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY,
AND NOTICE OF RIGHT TO REQUEST A HEARING**

A copy of the above document was securely enclosed in an envelope with postage duly prepaid, sent via certified mail, return receipt requested, addressed to each of the following:

Anton Kunz
1421 4th Street NE
Jamestown, ND 58401

To the best of my knowledge, information, and belief, the address given above is the actual mailing address for the party intended to be served or of the attorney representing that party.

Jacqui Ferderer
Jacqui Ferderer

Subscribed and sworn to before me this 25 day of May, 2006.

Diane B. G. Kambeitz
Diane B. G. Kambeitz, Notary Public
Burleigh County, North Dakota
My commission expires 4/25/2012

